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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

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All media reported that 200,000 to 300,000 Gazans poured into Sinai on Wednesday after holes were blasted in the fence at Rafah. Ha'aretz quoted a source close to the Popular Resistance Committees

(PRC) in Rafah as saying on Wednesday that Hamas operatives had been sawing away the foundations of the wall for a few months as preparation for the breach. A central Hamas operative partially confirmed the report, although he told Ha'aretz it was PRC operatives who were involved, and not Hamas policemen. Maariv reported that Hamas informed Egypt of its actions ahead of time and Ha'aretz added that Egyptian President Hosni Mubarak instructed police officers "not to block the hungry on their way to grocery stores." The Jerusalem Post reported that on Wednesday Hamas leaders called for an "urgent and speedy" meeting with representatives of Egypt and the PA to work out new, shared arrangements to control the border crossing. Speaking on Israel Radio this morning, Ahmed Yusuf, a senior advisor to Hamas PM Ismail Haniyeh, envisioned throngs of Palestinians from the Gaza Strip rushing into Israel. Maariv reported that Ahmed Jibril, the head of the PFLP-General Command, urged millions of Palestinians in Lebanon, Syria, and Jordan, to march toward Israel, breach the border, and realize the right of return.

The Jerusalem Post quoted Palestinian journalists as saying that on at least two occasions, Hamas staged scenes of darkness as part of its campaign to end the political and economic sanctions against the Gaza Strip.

Speaking on Channel 10-TV during a visit to France, Defense Minister Ehud Barak commented: "I believe Egypt knows what its job is, and we expect it to fulfill its obligations under various agreements. Ha'aretz said that Barak was expressing the frustration and anger of the defense establishment. Makor Rishon-Hatzofe quoted a senior source in the defense establishment as saying that Israel might take advantage of the collapse of the Gaza-Egypt fence to complete the disengagement by cancelling the customs agreement with the PA. All media (lead stories in Maariv, Israel Hayom, and Yediot) quoted Prime Minister Ehud Olmert's comments -- now and in 2006 -- about the Second Lebanon War. He was quoted as saying on Wednesday at the Herzliya Conference that he had no regrets and will not shy away from a debate on his actions and perceived failures. Maariv bannered: "[Olmert's] Line of Defense: Peace Is More Important." "It is quieter today on the northern border than it has been for the past 18 months and this is the longest period of quiet we've had for 25 years. The North is thriving and flourishing," Olmert said. The PM did not deny that Hizbullah has increased its weapons arsenal, saying "there is no doubt that Hizbullah has become stronger. Hizbullah has more rockets, missiles, ammunition, some of it state-of-the-art," but he asked: "Had there not been a war in 2006, would they have less?" "Is this the most secure situation? Not necessarily," Olmert continued. "We must not dismiss the possibility of renewed fighting, but the current situation is immeasurably better than before." After his associates reportedly blasted the officers who signed the company commanders' letter on his conduct of the war, Olmert went out of his way to praise the reserve officers. He said he admired all IDF soldiers, "both privates and company "I have nothing against their criticism and protest.... I appreciate our fighters' courage, resoluteness and sacrifice both in the regular army and in the reserves and if anyone pretended to be an associate of mine and said anything different, then he is not my associate," Olmert said. Perusing the protocols of the Winograd Commission, Yediot led with a comment that PM Olmert allegedly made to then defense minister Amir Peretz before the ground offensive in August 2006: "We'll be heroes for two days -- and then idiots." Yediot cited a telegram drafted by Daniel Carmon, Israel's Deputy Permanent Representative at the UN, on the eve of Israel's offensive, in which he said that then U.S. Ambassador to the UN John Bolton told Israel's Ambassador to the UN Danny Gillerman that France gave in to all Arab demands and that the U.S. was unwilling to give up on its "holy alliance" with Europe.

Vice Premier Haim Ramon was quoted as saying on Wednesday in an interview with Channel 10-TV: "You have heard from foreign sources about what happened in Syria in September. This was the result of an outstanding thinking and decision-making process."

The Jerusalem Post and Israel Radio reported on the arrival in Israel of Under Secretary of State for Political Affairs Nicholas Burns and Stuart Levey, Under Secretary of Finance for Terrorism and Financial Intelligence, for talks on diplomatic sanctions against Iran.

The Jerusalem Post and other media reported that nine coalition

Knesset members attended an event at which reserve soldiers called upon PM Olmert to resign over the Second Lebanon War.

Major media reported that the state promised the High Court of Justice on Wednesday in the name of PM Olmert and Defense Barak that the illegal outpost of Migron, which is situated on private Palestinian land, will be evacuated by the beginning of August.

Yated Ne'eman quoted Defense Minister Ehud Barak as saying in Paris on Wednesday that Israel does not rule out any type of action against Iran and that the time has come to impose further sanctions on that country.

The Jerusalem Post reported that Dutch FM Maxime Verhagen, who visited Israel this week, has pledged to lobby the EU member states to admit Israel in its ranks.

The Jerusalem Post reported that the number of Arab Israeli youth performing national service has more than doubled this academic year, despite strong opposition to the initiative by the overwhelmingly majority of Arab community leaders.

The Jerusalem Post reported that U.S. diplomats, including Lt. Gen. Keith Dayton, the U.S. Security Coordinator to Israel and the PA, continued this week to raise the Civil Administration's ire over their refusal to open their car doors or windows and present identification when crossing from Israel into the West Bank.

The Jerusalem Post repeated Wednesday's story in Ha'aretz on the bottleneck situation of American Citizen Services at the U.S. diplomatic representations in Israel and the PA. The Jerusalem Post reported that some people are booking multiple appointments and then selling them.

The Jerusalem Post reported that a delegation of astronauts from NASA is coming to Israel next week to mark the fifth anniversary of the death of Israel's first astronaut, Col. Ilan Ramon, in the Columbia shuttle's last flight. Yediot reported that a 14-year-old immigrant from India will leave next week for an educational tour of NASA facilities.

The Jerusalem Post cited the results of a Hebrew University poll, based on surveys conducted in September 2006 and May 2007, that 80% of Israelis expressed a high level of trust in the interim Winograd report (26% trusted the report and 55% placed "complete trust" in the document).

Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "The destruction of the border barrier is ... perceived as a legitimate prison break.... A statesmanlike response is now needed to turn the crisis into an opportunity."

The conservative, independent Jerusalem Post editorialized: "By playing into Hamas's hands, failing to punish aggression, and refusing to hold Egypt responsible for stopping the weapons buildup, the UN is sowing the seeds of the next war and strengthening the forces it claims to wish to isolate. And it is doing this in the name of peace and humanitarian law -- while producing the exact opposite."

Military correspondent Alex Fishman wrote in the mass-circulation, pluralist Yediot Aharonot: "A number of senior security officials began to become enamored with the new situation."

Middle East affairs commentator Dr. Guy Bechor, a lecturer at the Interdisciplinary Center, wrote on his Internet site Gplanet: "The moment the crossing between Gaza and Egypt was opened -- down came the 'siege' argument."

Meretz-Yahad Party Chairman Yossi Beilin wrote in Ha'aretz: "Olmert could keep a stiff upper lip and ... replace Tzipi Livni as foreign

minister, while Livni takes the post of premier.... I would propose that Olmert do this even before the Winograd report comes out."

Block Quotes:

¶I. "Opportunity in Gaza"

The independent, left-leaning Ha'aretz editorialized (1/24): "The closure imposed a year ago on the Gaza Strip by Israel and Egypt was effectively lifted on Wednesday after hundreds of thousands of Gazans overran the Egyptian border.... Now that the barrier is down, it is hard to imagine that the situation in Gaza can be restored to

its previous state.... Hamas used the closure to create sympathy for the people of Gaza. The destruction of the border barrier is also perceived as a legitimate prison break. A statesmanlike response is now needed to turn the crisis into an opportunity. Because none of the players is on its own and the parties' interests are interwoven, one can hope that Egypt and Israel, with help from the international community, can create new facts on the ground. If there is a moderate leadership that can be relied on, and if Mubarak and Palestinian President Mahmoud Abbas are part of it, then this is the moment they need to cooperate and put themselves in the forefront."

II. "Sowing War"

The conservative, independent Jerusalem Post editorialized (1/24): "The ... fundamental problem is that the [UN] Security Council chose to meet not on January 15, in response to the major barrage of rockets attacks against Israeli civilians, but on January 22, in response to Hamas's staging of a 'humanitarian crisis.' The backwards sequencing of the international response serves to vitiate the supposedly balanced statements of the Western ambassadors. Hamas doesn't care about being condemned along with Israel, because it knows these condemnations are lip service. The timing says it all. It is telling that the one country that could have prevented this 'cycle of violence' -- that is both Hamas's aggression and Israel's measures to defend itself -- was not mentioned in the debate. That country was Egypt, which even had the temerity to join the chorus against what it called Israel's 'brutal punitive measures.' The moment Hamas took over Gaza in June, Egypt could have tightly controlled its border and prevented tons of weaponry including sophisticated rockets, from entering the Strip. It could have closed the revolving door for terrorists leaving for training and returning to join Hamas's increasingly dangerous army. It did not.... The moment Hamas took over Gaza in June, Egypt could have tightly controlled its border and prevented tons of weaponry, including sophisticated rockets, from entering the Strip. It could have closed the revolving door for terrorists leaving for training and returning to join Hamas's increasingly dangerous army. It did not.... By playing into Hamas's hands, failing to punish aggression, and refusing to hold Egypt responsible for stopping the weapons buildup, the UN is sowing the seeds of the next war and strengthening the forces it claims to wish to isolate. And it is doing this in the name of peace and humanitarian law -- while producing the exact opposite.

"The Real Disengagement from Gaza" III. Military correspondent Alex Fishman wrote in the mass-circulation, pluralist Yediot Aharonot (1/24): "Up until Wednesday afternoon the sense in Israel was that the strategy of Israeli levers of pressure had failed.... Towards Wednesday evening the mood began to shift. number of senior security officials began to become enamored with the new situation: '.... Israel has a golden opportunity here to reap political gain: On Wednesday, for all intents and purposes, the real disengagement from Gaza began'.... [On the other hand,] the Egyptians, in their distress, reached an agreement with Hamas: The gates would be opened at 6:30 in the morning. Hamas blew up the walls and created an irreversible situation: The physical obstacle isn't there any more. If the Egyptians want to prevent future movement they are either going to have to rebuild the wall or shoot people. Now we're waiting for the third and fourth act of this play. If the siege is restored to the Gaza Strip, Hamas will renew its rocket fire on Israel. When Hamas becomes weaker in the political arena it intensifies its military activity. Hamas hasn't yet said the final word in terms of its efforts to create a balance of deterrence with the IDF. It is currently working on a special

IV. "The Fall of the 'Siege' Argument"

Middle East affairs commentator Dr. Guy Bechor, a lecturer at the Interdisciplinary Center, wrote on his Internet site Gplanet (1/23): "Hamas has made cynical use of the Palestinians it governs, claiming that Israel has shut down the Gaza Strip and has imposed an inhuman siege on it. However, the moment the crossing between Gaza and Egypt was opened -- down came the 'siege' argument. If that is the case, why shouldn't the Egyptians tend to the Palestinians in every matter, which is a state of affairs that couldn't be more natural. After all, Israel is the enemy, but Egypt is the big sister. How can the UN Security Council continue to claim that the Palestinians are shut in now that their border with Sinai and Egypt is wide open? Egypt is currently in a state of profound embarrassment, since on the one hand it has been urging the UN Security Council to convene to condemn Israel for closing off the Palestinians, when it is doing the very same thing itself! Everyone in the Arab world was stunned to see the hypocrisy of the Egyptian regime, which didn't balk at firing on the Palestinians, until it capitulated in the face of the outcry from the entire Arab world and opened up the border."

1V. "Prime Minister Livni, Foreign Minister Olmert"

Meretz-Yahad Party Chairman Yossi Beilin wrote in Ha'aretz (1/24): "Prime Minister Ehud Olmert has improved greatly over the past year.... Olmert has led a reasoned diplomatic process, making courageous statements that no prime minister before him ever did. If not for the war in Lebanon, he could have continued at his post with no small measure of success. But the war in Lebanon did take place, and so did its last two accursed days. Those two days were an effort to create the image of victory after the United Nations resolution had already been formulated. That last operation was ostensibly launched to influence the resolution.... The right is spearheading a campaign for early elections. It wants to stop talks with Fatah, and believes, according to the polls, that this is the chance of a lifetime. That is exactly the reason I have no interest in supporting such a move.... If Olmert cannot continue in office, he can contribute to the diplomatic process, and if elections are an undesirable option, then the optimal solution is for the rook to switch places with the king.... Olmert could keep a stiff upper lip and ... replace Tzipi Livni as foreign minister, while Livni takes the post of premier.... I would propose that Olmert do this even before the Winograd report comes out, and not go into a battle which, if he survives, will leave him bruised and vulnerable. can put together a coalition that will help her lead the diplomatic process, while Olmert, if he is sincere in his diplomatic determination, can devote most of his time to this task, heading the negotiating team.

JONES